

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Re: D.I. 5202, 5208 & 5204

**DECLARATION OF GENE SHOOK IN SUPPORT OF OPPOSITION OF BOBA
FOUNDATION TO MOTION OF DEBTORS TO ESTIMATE CLAIMS BASED ON DIGITAL
ASSETS**

I, Gene Shook, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

The Boba Foundation and BOBA Tokens

1. I am the fractional CFO of Enya Labs, which provides various services to Boba Foundation. I submit this declaration in support of the *Opposition of Boba Foundation to Motion of Debtors to Estimate Claims Based on Digital Assets* (the “Opposition”)

2. Boba Foundation supports its native Boba Network, which is a layer 2 protocol—a scaling solution built on top of layer 1 blockchain protocols, such as the Ethereum blockchain.

The Boba Network is currently deployed on two of the largest blockchains, the Ethereum and

¹ The last four digits of FTX Trading Ltd.’s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/ftx>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson’s Commercial Complex, Friars Hill Road, St. John’s, Antigua and Barbuda.

BNB blockchains, among others. Through Boba Network’s technology solutions, users can move transaction computation “off the main blockchain,” while still maintaining the same level of security of the underlying blockchain. By moving transaction computation off chain, data can be processed more efficiently, increasing the overall transaction throughput and preventing network congestion. Users also benefit by reducing high fees paid for transactions on the underlying blockchain. As the first cross-chain platform—the first scaling solution to be deployed on multiple blockchains—Boba Foundation aims to make the Boba Network the universal scaling platform for all blockchains.

3. Boba Foundation launched a native network utility and governance token called BOBA for Boba Network. BOBA can be used in a variety of ways, including for payment of network fees.

4. But one of most important uses of BOBA is for voting on proposals for governance of the Boba Network. The Boba Network is a decentralized autonomous organization, or DAO, which is a type of decentralized, digital management structure.

5. A DAO exists as a set of smart contracts on the blockchain, with no physical address or officials with formal authority. The members of the ecosystem govern the network by making proposals for the future direction of the network, new features, enhanced tools, changes to protocols, and the like.

6. BOBA holders receive rights to participate in the Boba DAO, where they can vote on such proposals. One staked BOBA token is equivalent to one vote.

7. Boba Network launched on the Ethereum blockchain in September 2021.

8. The Boba Network launched as the first ever layer 2 protocol on the BNB, Avalanche, Moonbeam, and Fantom blockchains in the second half of 2022.

9. The Boba Network is in a key growth phase that is critical to the development of the network and to widespread adoption by both developers and crypto holders.

BOBA Tokens Held on FTX.com

10. Boba Foundation minted 500 million BOBA, of which approximately 300 million are in circulation. Of the 300 million BOBA in circulation, roughly 144 million are held in FTX.com custodial accounts. Accordingly, nearly half the BOBA market is frozen in FTX accounts.

11. The commencement of these cases, and the Debtor's inability or refusal to release Boba Foundation's BOBA holdings (hereafter, the "Tokens") from its custody, has fundamentally impacted the ability of Boba Foundation and other Boba Network participants to engage with and continue to develop the ecosystem.

12. Because Debtors have refused to release the BOBA held in FTX.com custodial accounts to their rightful owners, those BOBA owners cannot stake their tokens to vote on governance proposals put forward in the Boba DAO.

13. Those BOBA owners are also precluded from putting forward new governance proposals because they cannot generate support for those proposals, given that nearly half of the BOBA in circulation is inaccessible to its owners.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that this declaration was executed on January 11, 2024, at Seattle, WA.


Gene Shook